

State of Arizona

Janice K. Brewer Governor

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FOCUSED ON ADVANCING ARIZONA'S ECONOMIC VITALITY, GOVERNOR JAN BREWER APPOINTS COMMERCE ADVISORY COUNCIL

PHOENIX – Starting 2010 with a serious revenue gap, a significant loss of jobs over the last several years and high unemployment, Governor Jan Brewer is taking immediate action to strengthen Arizona's economy by appointing a Commerce Advisory Council to identify an economic development model responsive to private sector interests, attractive to industry clusters and focused on job generation. The Council, which represents business leaders from diverse industries and regions of Arizona, is scheduled to present its findings and proposed plan during the first quarter of 2010.

"I've tasked this Council to outline priorities and recommend actionable next steps for raising the bar and creating a leading statewide economic development model that will advance our economy and create jobs for Arizonans," said Governor Jan Brewer. "Like all other states, Arizona is in a competition for the improvement of our economy, and yet, we have limited resources to compete for and attract new jobs – not only with forty-nine other states, but with a global market."

The Governor's Commerce Advisory Council will be led by Arizona Department of Commerce Director, Donald E. Cardon, and will carefully examine the role of the Agency in private sector job creation, its current mandates and funding sources. The seven member Council includes prominent Arizona industry leaders:

- Jerry Colangelo, Principal, JDMD
- Paul Bonavia, CEO, Tucson Electric Power
- Don Brandt, CEO, Pinnacle West/APS
- Bob Campbell, President, WL Gore
- Brad Casper, CEO, Dial Corporation/Henkel
- Linda Hunt, President, Catholic Healthcare West Arizona
- Roy Vallee, CEO and Chairman, Avnet, Inc.

"The formation of the Commerce Advisory Council comes at a time of increased public discussion and scrutiny on the future of Arizona," said Jerry Colangelo, the Council's private sector Chairman. "Governor Brewer's commitment to and solicitation of private sector involvement in finding solutions that are real encourages me of her resolve during these tough times. Believe me, my

involvement in chairing this effort is neither passive nor political, it is simply a reflection of my concern for the future of our state, which is very dear to me."

"The goal is to create a new approach that supports existing economic development interests and creates meaningful new ones for Arizona," said Roy Vallee. "The bottom line is to create more jobs throughout the state and strengthen our economy."

"Through our research and analysis of the most effective national and international commerce organizations and our statewide outreach, we hope to produce high impact recommendations and a sustainable commerce department responsive to private sector interests," said Brad Casper.

According to Cardon, Commerce is currently responsible for a broad spectrum of more than 50 programs, from business and workforce assistance to energy and research mandates. In the absence of federal stimulus dollars, the agency's annual general fund continues to decline.

"To say it is difficult to represent the entire state's competitive position in the global marketplace on such limited resources would be an understatement," said Cardon. "Frankly, our aim is not to preserve the Department of Commerce, but rather preserve its mission and purpose at a time when the needs of our state and its citizens have never been so financially challenged. To me, it is all about focusing the limited resources we have on what is absolutely necessary, not what has been popular or institutional. And right now, that is simply about jobs and securing global investment for Arizona, period."

"It is time for Arizona to get focused on creating jobs in those industry clusters with the greatest potential for our state", said Don Brandt, CEO of Pinnacle West Capital Corporation and Arizona Public Service. "We can't do this without a competitive statewide economic development organization that fuels the economies of our urban and rural areas."

"The creation of jobs and the expansion of tax-based revenues are critical to Arizona's economic advancement," added Cardon. "We must have a strong offensive unit on the playing field if we are to compete globally."

"I am very encouraged with the approach Governor Brewer and Director Cardon are taking to improve Arizona's global competitiveness," said Hank Marshall, British Honorary Consul – State of Arizona. "They are not acting as political managers, but as pragmatic leaders, which right now is exactly what we need at this critical point in the State's history."

Sara Dial, former Commerce director (1993-96) and current president and CEO of Sara Dial & Associates (SDA), has been engaged to manage the effort. Together with members of the Council, SDA is undertaking a comprehensive research and outreach effort that studies and evaluates the most successful economic development agencies in the U.S. and abroad. SDA is also engaging Arizona stakeholders involved in economic development to determine best practices and areas of need.

"We simply must find ways to lead out of these economic challenges as opposed to react to them," said Colangelo. "The members of this Advisory Council are committed to do so and this is not an exercise for us."